

EXHIBIT 15
[UNREDACTED VERSION OF
DOCUMENT SOUGHT TO BE SEALED]

Failure Rate Assumptions for GoFlex Turbo

Andrei Khurshudov

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Using materials from the CTS Reporting & Analysis Team (Harrie Netel)

Background

- Goal: Estimate a 2-year return rate and failure rate of the future Content-Protected GoFlex Turbo SBS product
 - Inside: 7200 rpm Holiday 500 GB, SBS
 - Major customer: BestBuy
- Will analyze both the Holiday HDD itself and the Portable USB /Desktop USB offerings
 - Conversion from the Return Rate to Failure Rate:
 - $FR = K * RR$ (where K is a % of NTFs from the failure pareto)

Retail – Portable USB Drives – Dashboard

Portable USB

Product	Cust	Comparison to Previous Products	3 yr Return Rate vs Phase 0 Spec	Return Rate Trends	SPC Triggers	Social Media
FA GoFlexPro	DIST	 Worst in Group, low ship volume #4	Not enough data points	 May-2010 vintage spike (high returns from Best Buy)	Not enough data points	
FA GoFlex	DIST	 Equal to Portable EXT #1,2	Not enough data points	 May-2010 vintage spike (high returns from Best Buy)	 Best Buy, 1TB, 750GB	
FA Go	DIST	 Worse than FA GoFlex and Portable EXT #3	 0.17% over spec	 Early vintage spike, declining then slight EOL increase	 Recent vintage, 880GB and 1TB, Best Buy	
Portable EXT	DIST	 Equal to FA GoFlex #1,2	 1.01% over spec	 Increasing trend Jun/Jul-2010	 750GB and 1TB, Target and Synnex	

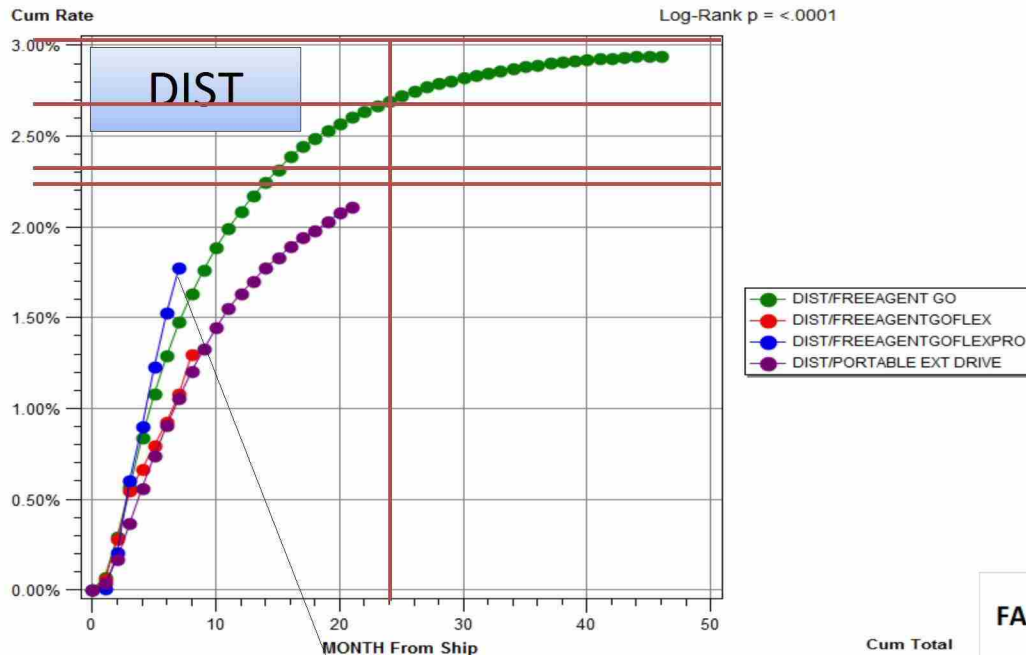
FREEAGENTGOFLEXPRO - Product Comparison

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FYI only

TOTAL > 5000



Projected 2-y RR:

FreeAgent Go = 2.7%

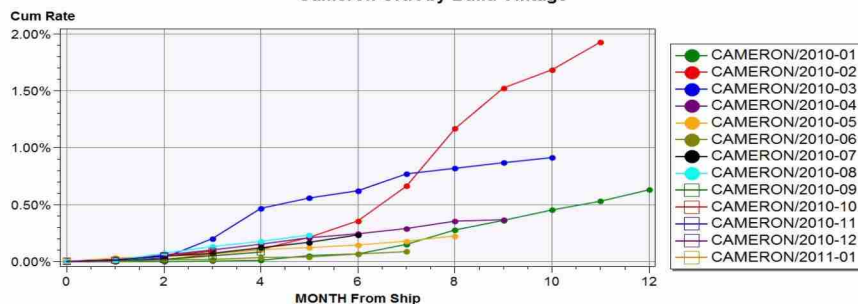
FreeAgent GoFlex = 2.4%

FreeAgent GoFlexPro <3%

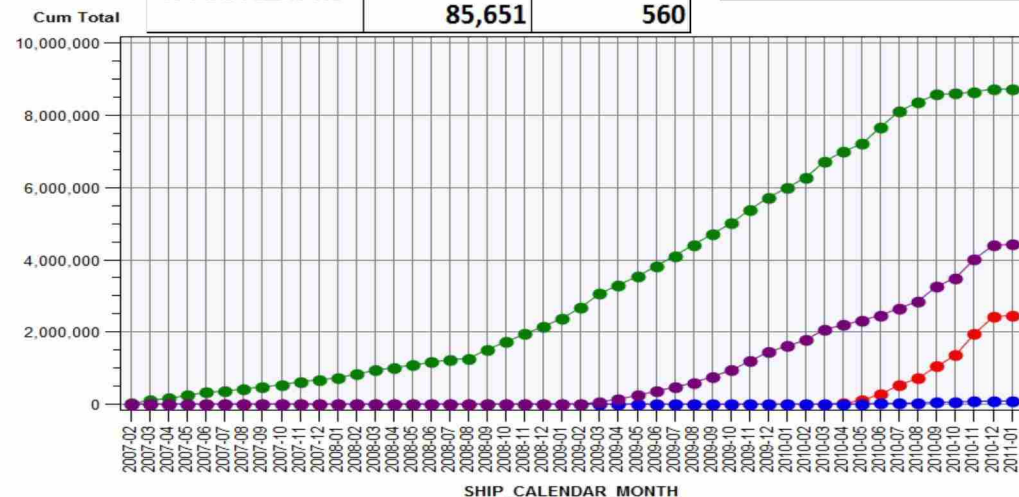
Portable External Drive <2.3%

FreeAgentGoFlexPro performing worst on low ship volume

Cameron CRR by Build Vintage



FA GOFLEXPRO	DIST ships	Returns
	85,651	560



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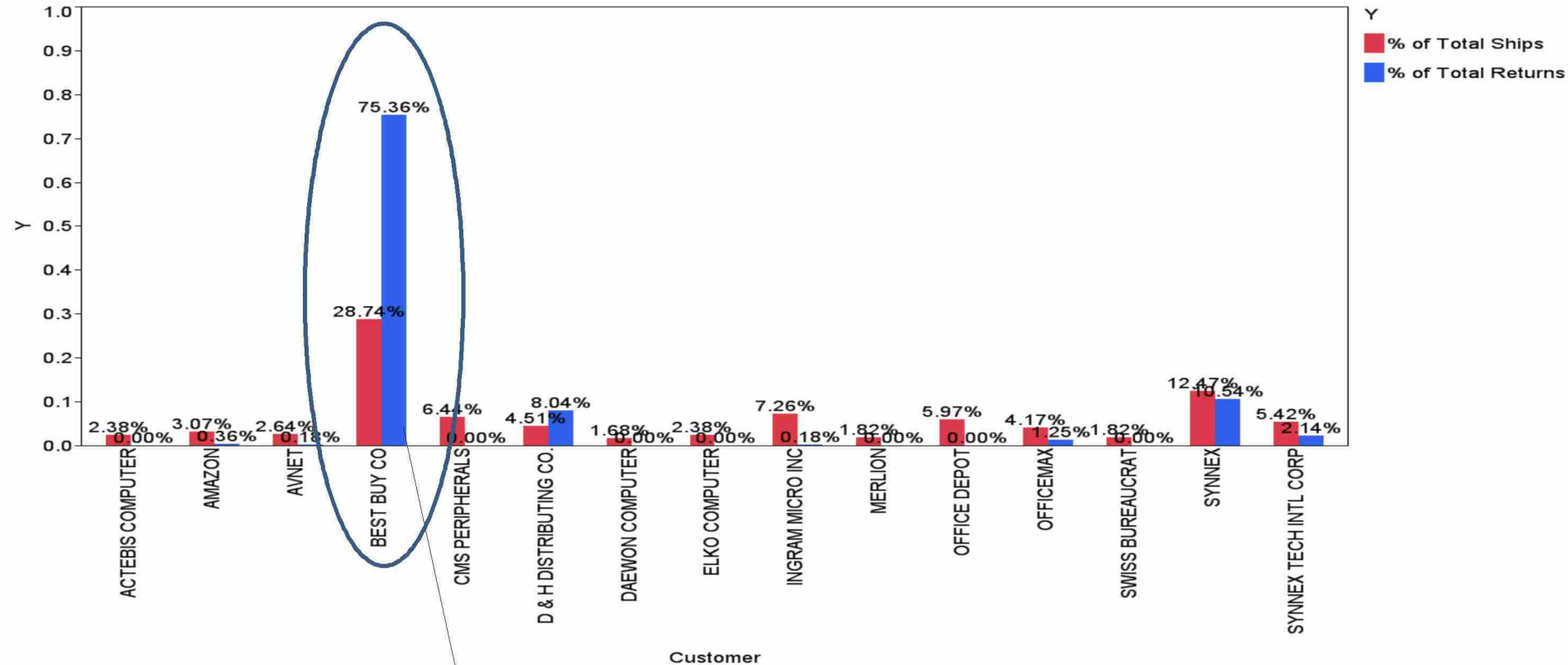
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FREEAGENTGOFLEXPRO – Top 15 Ship Vol by Customer



Chart Product=FREEAGENTGOFLEXPRO



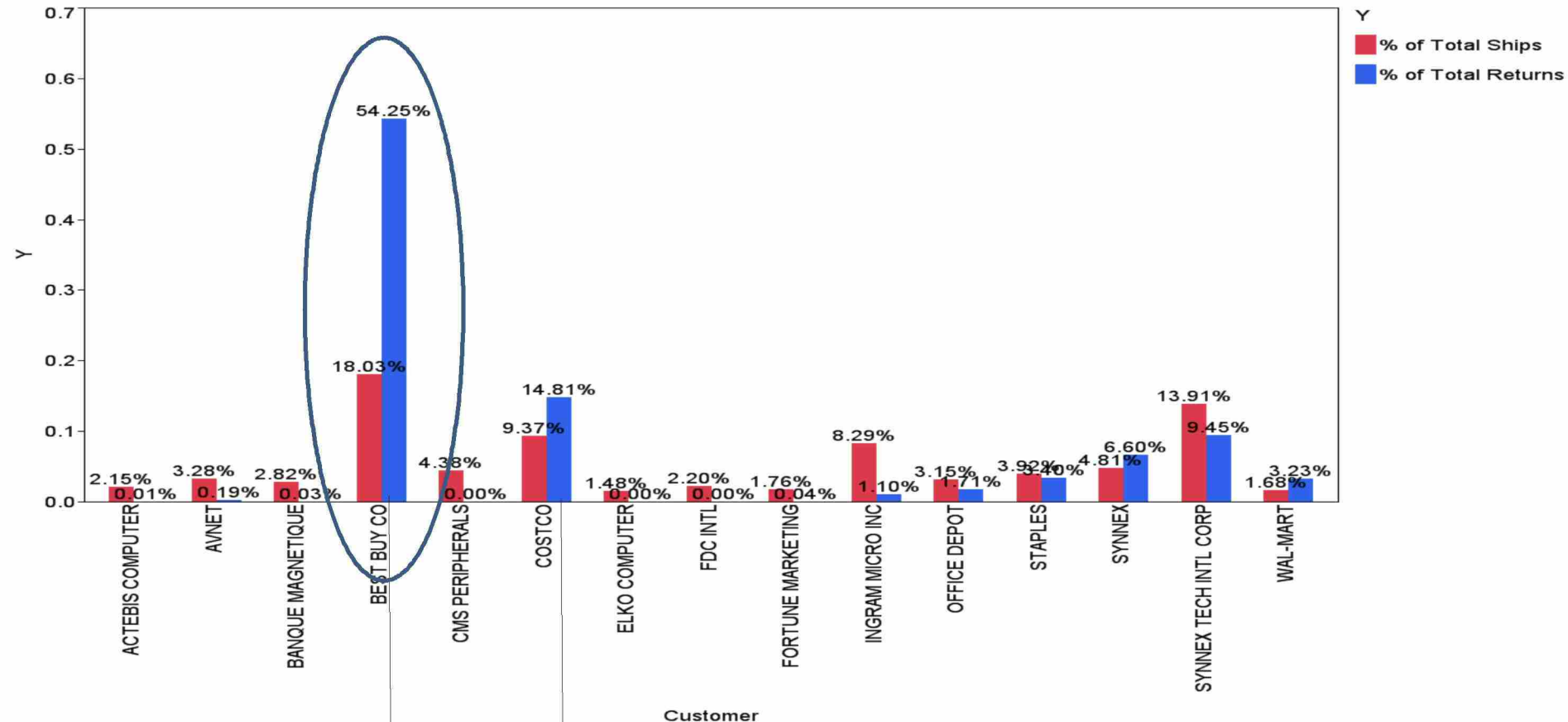
16 rows excluded

Best Buy has 29% of total ships and 75% of total returns



FREEAGENTGOFLEX – Top 15 Ship Vol by Customer

Chart Product=FREEAGENTGOFLEX



41 rows excluded

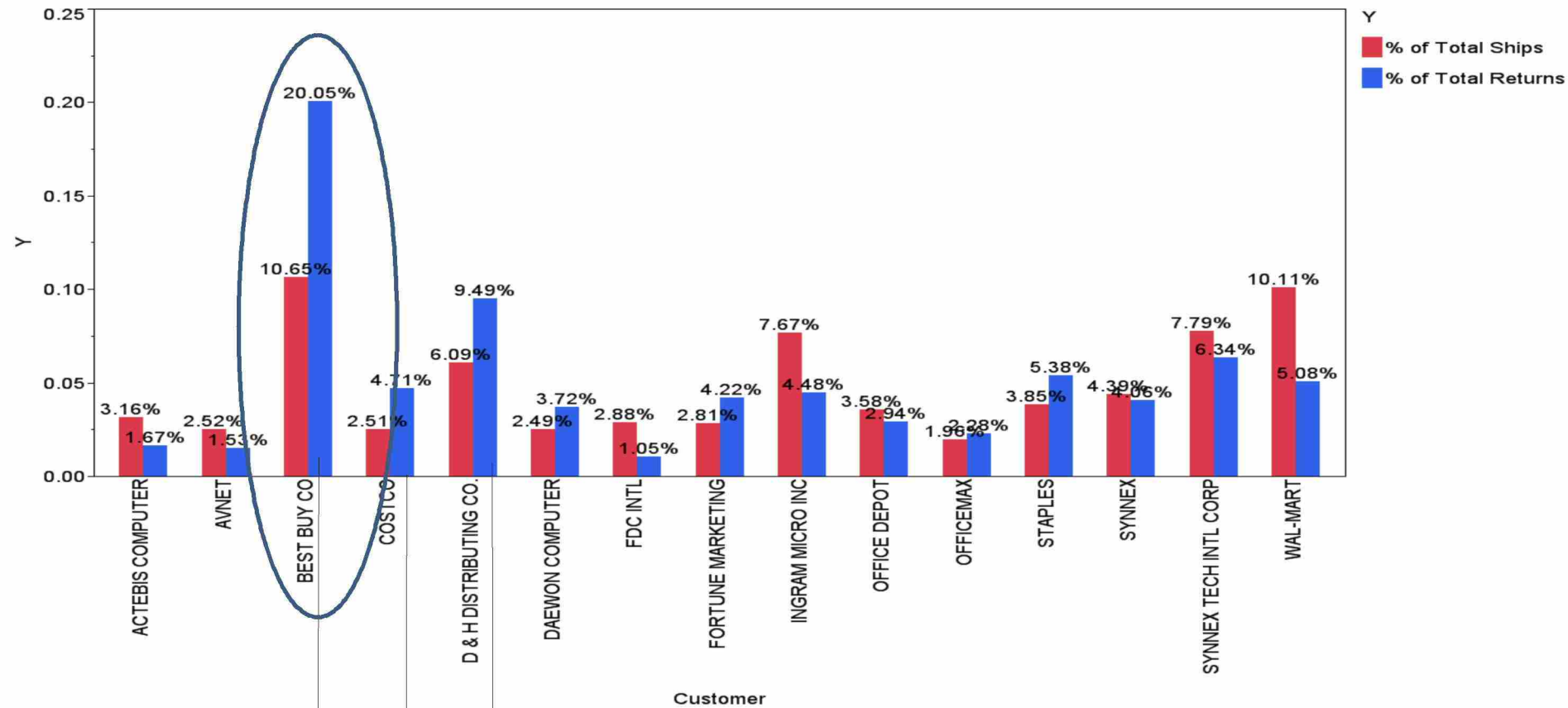
Best Buy has 18% of total ships and 54% of total returns,
Costco also having impact

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FREEAGENT GO – Top 15 Ship Vol by Customer

Chart Product=FREEAGENT GO



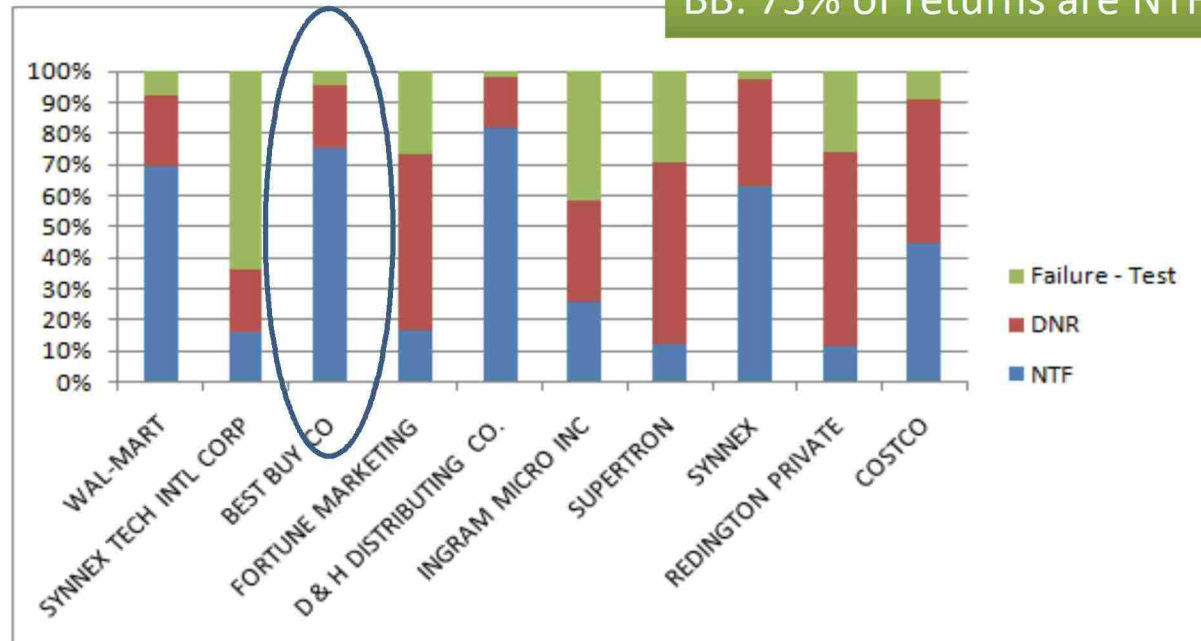
67 rows excluded

Best Buy has 11% of total ships and 20% of total returns, Costco and D&H also having impact

SBS EDA Test (Jabil)

FreeAgent Go

BB: 75% of returns are NTFs



Sample Data
Approximately 3 days of FRIT
data used for "Proof of
Concept"

PRODUCT_MARKETING_NAME	FREEAGENT GO			
Count of PARENT_DRIVE_SELECTOR	SBS High Level Pareto			
CUR_CORP_DESC_1	NTF	DNR	Failure - Test	Grand Total
WAL-MART	185	62	20	267
SYNEX TECH INTL CORP	30	37	120	187
BEST BUY CO	110	29	7	146
FORTUNE MARKETING	21	72	34	127
D & H DISTRIBUTING CO.	81	16	2	99
INGRAM MICRO INC	24	31	39	94
SUPERTRON	9	44	22	75
SYNEX	44	24	2	70
REDINGTON PRIVATE	7	38	16	61
COSTCO	25	26	5	56
Grand Total	536	379	267	1182

Summary for Portable USB

- Average 2-year return rate 2.6%
 - Max 2-year return rate <3%
- BestBuy seem to have 2x to 3x higher return rate than average
 - Therefore, expect the worst 2-y return rate from BB to be $3 \times 2.6\% = 7.8\%$
- However, the real failure rate for BB returns is about 25%
 - Therefore, expect the worst 2-y failure rate from BB to be $0.25 \times 7.8\% = 1.95\%$

Statistical Summary

Product	Category	2-year return rate, %	2-year failure rate, %
FA GoFlexPro	Portable USB drives	2.7	1.35
FA GoFlex	Portable USB drives	2.4	1.2
FA GoFlex Pro	Portable USB drives	3	1.5
Portable External Drive	Portable USB drives	2.3	1.15
FA Desktop	Desktop USB drives	4.3	2.15
FA GoFlex Desk	Desktop USB drives	3.6	1.8
Desktop external HDD	Desktop USB drives	3.1	1.55

Converting RR to FR using another assumption of 50% NTF rate

CPP Model for BestBuy

Used the highest
2-y FR% in SBS
products
documented

Units	500,000	
Premium/Unit	\$15.00	
Premium	\$7,500,000	
Retailer Margin	35%	
"Natural profit" per HDD, \$	\$ -	
"Natural profit" from all sales	\$ -	
Seagate Incremental Revenue	\$4,875,000	
Scenario 2		
5.0% CPP Claim Rate	25,000	
2.15% FR, %	10,750	
57% Internet Recovery	14,250	
10% In-lab write-off rate	1,075	
43% Lab Recovery	9,675	
10% IT recovery rejects	1,425	
90% Total IT successful cases	12,825	
44% Lab Recovery + IT rejects	11,100	
70% Total Lab successful cases	7,770	
82% Total successful cases	20,595	
0.88% Units sold but not recovered	4,405	
Cost to Retail		
Internet Recovery	\$40.0	
Lab Recovery	\$473	
Average cost	\$203	
Retail Cost for Recoveries		
Internet Recovery	\$513,000	
Lab Recovery	\$3,671,325	
SRS revenue	\$4,184,325	
SRS Cost for Recoveries		
Internet Recovery	\$30	
Lab Recovery	\$350	
Cost of SRS Recoveries		
Internet Recovery	\$427,500	
Lab Recovery	\$2,719,500	
Total SRS cost	\$3,147,000	
Retail Profit	\$690,675	14.17%
SRS Profit	\$1,037,325	24.79%
50%/50% Profit split	\$864,000	19.48%
Seagate Profit	\$1,728,000	19%

Good
profitability for
STX

Summary

- Estimated/measured 2-year return rates for SBS products ranges from **2.3% to 3%**
 - Estimated 2-year return rate from BB could be as high as 7.8% (3x average of 2.6%)
 - Close to 75% of this returns are NTFs
 - The above numbers for BB are highly skewed by the BB return policy + buyer's remorse AND provide poor guidance for the DR return rate
- Estimated/measured 2-year failure rates for SBS products ranges from **1.2% to 2.15%**
 - Estimated 2-year failure rate for BB is close to 2% (**1.95%**)